



The Ferguson Report

ON THE

Alienation of the Public Domain in Western Canada

**In which serious charges are made against
Hon. Frank Oliver, J. G. Turriff, M. P.,
Robert Cruise, M. P., and numerous
officials formerly employees of
the Liberal Government.**

A SPEECH

Delivered by

Hon. Dr. W. J. ROCHE, M.P.,

(Minister of the Interior)

in the

HOUSE OF COMMONS

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Note.

Never in Canadian history have Parliament and the Canadian people been confronted with a record of political villainy and administrative corruption approaching that disclosed in the Ferguson reports.

Never has a political party in Canada, or, perhaps, in any other country under the sun, suffered a collapse so complete as that which overhauled the Laurier Opposition when the Ferguson reports were brought down in Parliament. These reports and the subsequent disclosures given to the House by Hon. Mr. Roche, tore aside the veil which the Laurier Government drew over the operations of the Interior Department during the years of its administration.

For years the Conservative party in Opposition strove to let in the light on the maladministration of the Department of the Interior under Laurier and his western agent, "Honest Frank" Oliver. Case after case was brought to the attention of Parliament during the last half dozen years of Liberal rule, and in every instance the Conservatives demand for investigation was met by a stubborn refusal on the part of Sir Wilfrid Laurier. Evidence upon evidence was submitted by Conservative members, pointing to the gravest malpractices in connection with the administration of the public domain, charges which incited Liberal members then occupying places in Parliament, charges which involved the alienation of enormous land areas, timber rights, townships, grazing and irrigation concessions, and in every instance Sir Wilfrid Laurier and his followers to a man voted against investigation, against the lifting of the lid, against the public right to know what was being done with the public resources.

In June, 1913, the Borden Government appointed Mr. T. R. Ferguson, K.C., of Winnipeg, a distinguished western lawyer, a special commissioner to investigate the alienation of the public domain under Laurier. Mr. Ferguson conducted this investigation with great thoroughness and care, studying departmental records and examining a very large number of witnesses under oath. The work occupied nearly two years.

These reports, based upon official records and the sworn evidence of the men concerned, proved to the hilt the charges of wrongdoing brought against the Laurier Government, proved that the great natural resources of the West had been exploited and plundered for the benefit of Liberal officials and Liberal camp followers. They proved that this illegal exploitation had been conducted systematically and on so vast a scale as to stifle or pervert public opinion in the western provinces for the political benefit of the Laurier Government. In every branch of the Interior administration this broad trail of corruption and fraud was revealed.

The Ferguson Report

Dr. Roche's speech was as follows:

The hon. member for Edmonton (Mr. Oliver) has shown a good deal of heat because the Government has seen fit to appoint Mr. Ferguson as commissioner to inquire into the matters relating to the Interior Department over which the hon. gentleman formerly presided. I do not think he should find so much fault with the Government in investigating certain matters which had more or less a relation to his own administration of the department. I do not think he has very much reason to find fault because of the late time when, as he says, this report has been submitted. The report only came into my possession late in the month of March. It is true, I desired to peruse it before laying it upon the table. The session was in progress at, and for the greater part of the time there have been three sittings a day. I had only time to peruse the report and it was submitted to the House at the earliest possible moment under the circumstances. I think he is tolerably familiar with most of the matters discussed here to-day by reason of the fact that he was at the head of the department at the time they occurred, although I agree with him that after a lapse of time one's memory cannot be expected to retain all the details of these various transactions.

The hon. gentleman has stated that very little has been disclosed in return for the thirty-odd thousand dollars that has been paid to Mr. Ferguson. He points to the voluminous report and says that that is about all the country has in return for this large expenditure. It is easily seen that he has not carefully read this report. Because the attention of the country has been directed to the fact that the report has disclosed reasons to believe that the money was well spent. Had he read the report carefully, or even hurriedly, he would have found that it has been proven to the hilt that it has been a good expenditure for these disclosures.

Mr. OLIVER: Will the hon. gentleman be good enough to give us these instances? The matters relate to his own department. Let him come through with some of these instances.

TACTICS OF THE LIBERAL PRESS.

Mr. ROCHE: I will try to give the instances. But, as I say, I have not got all the evidence and it is some time since I read it. The hon.

gentleman has done the best he could in defence of himself, and I leave it to the members of this House whether the defence he has put up here in regard to these transactions is one in which the people will take much stock. I think he will find that there are many things that have been admitted on oath by his own former officials that will carry conviction to the people that his administration of the affairs of the Department of the Interior was not in the best interest of the country, and I will quote a few instances as I go along to prove my case. He states that this commission was appointed and this investigation held merely to enable the party press at this late stage of the session to make all the party capital they can against him and the Government of which he was a member.

Well, what is the party press supporting himself and his party doing in connection with the investigations going on in the Public Accounts Committee, the Boots Committee and others, if not the very thing that he complains of in this investigation? Read these papers, from *The Globe* up, and you will find that **there is scarcely a Liberal paper from one end of the country to the other that is not distorting the evidence, picking out particular portions from the statements of witnesses that they think will reflect upon this Government, and endeavouring to hold this Government responsible for every little lapse that has taken place in connection with the purchase of horses, boots or any other things the purchase of which has been investigated.** Still, the hon. gentleman grumbles and thinks he has a grievance because the Conservative press has been publishing portions of this report which reflect upon himself. He knows what human nature is, and he knows that whatever party is in power the press of that party will try to make capital against their opponents. I think it a rather petty complaint for him to say that this report was brought down late for that purpose.

The hon. gentleman took up first the investigation into certain transactions connected with the Bulletin Company, Limited. He asks what right Mr. Ferguson had to investigate matters pertaining to his private business. There was a time when the hon. gentleman had a serious accusation made against him through the press of the country in connection with a certain deposit or cheque of \$60,000. This was just before the late Government went out of power. The hon. gentleman then, both inside and outside this House, challenged the fullest investigation into that transaction, though it had no particular relation to the matters of the department over which he presided. And when he was so courageous to court inquiry into that affair, he should not take exception at Mr. Ferguson's desiring to probe this transaction, particularly in view of the fact that at least a *prima facie* case was made out for investigation, taking into consideration the fact that the Grand Trunk Pacific Railway Company invested \$15,000 in the newspaper publishing company in which the hon. gentleman was interested, while at the same time that company



From pen and ink sketch by N. McConnell

HON. W. J. ROCHE
Minister of Interior.



was having direct and continuous relations with the department over which he presided. That is the reason assigned by Mr. Ferguson for this investigation. Let me quote his report on this point:

With regard to the propriety of the transactions detailed herein, I do not know that it is necessary for me to comment upon the same at any length. The facts speak for themselves. When I learned, as Commissioner, that the Grand Trunk Pacific Railway Company, having very extensive dealings in the year 1905, in fact both before and after this stock transaction—was the purchaser of a considerable block of stock from the company practically owned and controlled by the Minister presiding over the department with which it was dealing, I felt that it was my duty to examine into the matter, and report accordingly. If I had not felt that it was the duty of the minister to have avoided even the very appearance of any pet and business transactions with persons or corporations with whom he was dealing as minister of the Crown, I should not have taken any action in this matter.

A SUSPICIOUS TRANSACTION.

That is why the investigation was proceeded with. If the hon. member for Edmonton can see no reason why the Grand Trunk Pacific Railway Company should not have invested money in the paper of which I was proprietor when he presided over the department, then the hon. gentleman has not that sense of propriety that I think he should have. I am confident that if I as Minister of the Interior were unfortunate enough—or fortunate enough, as the case may be—to be the proprietor and publisher of a newspaper; and if, while acting as Minister of the Interior, I induced—because I presume that the hon. member did hold out inducements—the Grand Trunk Pacific Railway Company to take stock in that paper, the hon. gentleman would be the first person to condemn me for so doing.

The hon. gentleman states that nothing was proved as to the connection of the Grand Trunk Pacific Railway Company with the department. Mr. Ferguson did not go into details; he did not set out with the idea of proving any particular point or of delving into the particular transactions in connection with town sites or rights of way, but he did summon as a witness Mr. Lynch of the Railway Lands Branch. From that gentleman's evidence he established the fact that the Grand Trunk Pacific Railway Company had relations with the Department of the Interior. The evidence given by Mr. Lynch goes to show that at the time when Mr. Frank Scott purchased the stock in trust on behalf of the Grand Trunk Pacific Railway Company, paying \$15,000 for the same, and when the hon. member for Edmonton was Minister of the Interior, the Grand Trunk Pacific Railway Company were carrying on extensive business transactions with the Department of the Interior, involving the transfer to the company of a large quantity of Government lands, including rights of way, town sites, terminals, etc.

Mr. Ferguson, therefore, established what he set out to establish: that the Grand Trunk Pacific Railway Company were having these relations with the Interior Department; that the Grand Trunk Pacific Railway Company took \$15,000 worth of stock in the publishing company of

which the then Minister of the Interior was the proprietor. Mr. Scott, who held this stock in trust, swore that he had not invested in it for himself; that the money had been given to him by the then vice president of the company, and that he could not cite any other instance in which the Grand Trunk Pacific Railway Company had invested money in any other newspaper in the Dominion of Canada. **It is rather significant that the Edmonton Bulletin, published by the then Minister of the Interior, should be selected from all other companies by the Grand Trunk Railway Company for the investment of this money.** It could not have been because of the large dividends paid by the Edmonton Bulletin Company, because the ex-minister himself says that they have lost their money and so has he. At any rate, no dividends have been paid. The Grand Trunk Pacific Railway Company paid this \$15,000 to Mr. Scott without any resolution of the company having been passed authorizing the same. It was done secretly; it was done in a manner of which Mr. Scott evidently knew absolutely nothing, except that he was asked to invest this \$15,000 in his own name. That is all he could tell about it. He said that the Grand Trunk Pacific Railway Company had not invested money in any other papers that he knew of. He said that he has never attended an annual meeting of the directors of the Bulletin Company; that the Grand Trunk Pacific officials never took any particular interest in the affairs of the company. According to the hon. ex-Minister of the Interior, this amount of stock was a gift, because it was not expected that any dividends would be paid upon it. If by this defence, which I consider to be a particularly lame one—of the investment of this \$15,000 by the Grand Trunk Pacific Railway Company in his publishing house while he was Minister of the Interior, the hon. member for Edmonton means to assert that such a transaction was all right, and should not be questioned by any man either inside or outside of this House, I think that he is taking a stand which will not receive the endorsement of the people of this country.

NO EXPLANATION EVER GIVEN.

So far as the company is concerned, Mr. Ferguson states:

Although I endeavoured to obtain some explanation from the Grand Trunk Pacific Railway Company as to why it did go into this transaction, I have been unable to do so.

No member of the company was in a position to say why this money was invested. I leave it to members of this House to form the conclusion as to why that investment was made, and to judge for themselves as to whether the Grand Trunk Pacific would have invested this \$15,000 if the hon. member for Edmonton had been only the private member for Edmonton, and had not been the publisher of the Edmonton Bulletin.

The next point taken up by the hon. gentleman was the matter of the timber lands that were removed from the Riding Mountain forest

reserve. It is true that by Act of Parliament certain lands were withdrawn from the Riding Mountain reserve several years ago, and that all squatters who had located on those lands were to be allowed the privilege of taking up homesteads on the lands which had been removed from the reserve. I say frankly that that is not an unusual thing, and we are not complaining about that. **What we are complaining about is that hundreds of Liberals who secured entries were not squatters at all, and that the public lands were parcelled out by Mr. Davis, then supervisor of the Riding Mountain forest reserve.** This admission on the part of Mr. Davis was conveniently overlooked by the ex-Minister of the Interior in the remarks which he made this afternoon. Mr. Cruise made no pretense of being a squatter, in any sense of the term. The hon. gentleman says that those who had effected tangible and substantial improvements were allowed to remain on the land. What were the tangible and substantial improvements that Mr. Cruise had to show? He lived near the town of Dauphin, within the five mile radius. He had a man cut logs for two or three days, and build up four bare log walls. I do not believe they were ever roofed; certainly up to the time the patent was issued the structure, which was to pass as a house, was never roofed. On these tangible and substantial improvements, Mr. Cruise put in his claim as a squatter. Mr. Cruise lived on other lands of his own. He could qualify by stock if he was a legitimate squatter, but we assert that Mr. Cruise was not a legitimate squatter. The supervisor, Mr. Herchmer, the land agent who received the entries at the town of Dauphin, himself says so, and Mr. Ferguson finds that Mr. Cruise was not a squatter.

Mr. Cruise had only thirteen head of stock of his own, and, as it was necessary to have twenty in order to prove up, he went to his neighbour—a man of the name of Ward—and, ostensibly, brought seven head of stock over to make up the twenty, giving his promissory note therefor. Mr. Ward kept the stock part of the time on his own property and part of the time during the summer months on Mr. Cruise's. That allowed Mr. Cruise, during the time that Mr. Ward held his note to swear that he was the owner of twenty head of stock; he therefore secured entry for the land. **As soon as he got his patent he got back the promissory note and gave back the seven head of cattle to the gentleman. And we are asked to be gullible enough to believe that that was a bona fide transaction!**

WHOLESALE MISREPRESENTATION.

This is the manner in which the hon. member for Dauphin (Mr. Cruise) qualified as a squatter on the Riding Mountain reserve. And Mr. Cruise was not by any means the only one. I will read some rather spicy evidence regarding this. For instance, of all the lands taken out of the Riding Mountain reserve, and there were several hundred quarter-sections given for homestead entry, Mr. Davis, who was the supervisor, swore be-

fore Mr. Ferguson that he believed that not more than 10 per cent were occupied by legitimate squatters; and he was the official appointed to do this business by the then Minister of the Interior and was kept in office until after this Government came into power, notwithstanding the protests of his own officials. Now, not only Mr. Davis swore that not more than 10 per cent of the so-called squatters were legitimate, but Mr. Herchmer, the Dominion Lands agent, swore as well that in his opinion not more than 20 per cent were legitimate; and these were the gentlemen who were supposed to have tangible and substantial improvements as squatters and were allowed entries to these lands. I have some evidence to back this up. We have the evidence of Albert McLeod and Sam. Cohen who were employed by the Government, and who went around with blank orders which were handed to Mr. Davis for his signature, for them to take to the land office; and of course the land agent was compelled to honour them, because he got his instructions from the Minister of the Interior to recommend any persons to have entries who bore an order from Mr. Davis.

This is from the evidence of Mr. Davis.

Q. And you were a little more particular about the evidence of Mr. Davis?

That is in blank.

A. Yes, I used to take them with me in Blank. It saved a lot of writing.

Q. And after they had been filled in, some were genuine squatters and some were not?—A. Yes, I allowed myself to be used for the party there, to a certain extent, and I am willing to acknowledge it.

Q. Now this Exhibit 1 D, I want to ask you about that Mr. Davis. In the first place, is that your signature?—A. Yes.

Q. But the rest of it was not written out by you?—A. No.

Q. Who wrote it out?—A. To the best of my knowledge and belief, Albert McLeod.

So he was not the only one who wrote out these orders.

Q. And did he issue that, and fill it in himself?—A. Yes.

Q. So that he travelled around with these in Blank?—A. Yes, and he could send them to me with orders, telling that it was right, but I know better. I will tell you the story.

Q. Yes, for the story?—A. I know that Albert was picking up quite a few of the roads, and his own land, and he was getting good quarters for and making himself strong, and at last he and some boys were going to them on Blanks and he would send them to me, signed, and I would sign them for him.

Q. Mr. McLeod getting the same kind of way, I suppose?—A. Yes, I think he did. He made him a little better way.

Q. Mr. Herchmer has a position, and he has been here and have been hundreds of people's assistant. Did he keep track of the number of orders which you were issuing, who were signed?—A. You could not get a certification or that of Albert McLeod or Sam. Cohen?—A. No, sir, I did not.

Q. What was Cohen's position, and what was he doing for or procuring from you these orders, and making the entries for people's use?—A. Cohen was a riding groom, and a good worker, and I let him do the preliminary side of the land, he could do it for me.

PARCELLED OUT TO POLITICAL FRIENDS

This is the way the public lands were parcelled out to the political friends of my hon. friend; and he gets up here to my face and contests the

management of the land in the Interior Department in its agreement with that when he was presiding officer over the department.

Q I suppose, Mr. Davis, I could say that would apply to the whole time all of that time, is that right?

This is an illustration of how the lands that were taken out of the reserve were disposed of by the department.

But there is something more. There was dissatisfaction in the department at the head office here. They saw that something was wrong, and it was drawn to the attention of the minister. It was brought to his notice when he was visiting Banff, while it was going on, and Mr. Herchmer, the land agent, knew perfectly well what was going on. He wanted some protection for himself, and he brought it to the notice of the then Minister of the Interior. The result of this was that a letter was sent to Mr. Davis from the head, the then Minister of the Interior, dated September 18, 1907, as follows:

W. A. Davis,

Sir: I have to inform you that the removal of squatters in the Riding and District of Medicine Hat is a very serious matter, and the Government is determined to see that the law is enforced. You are requested to see that the law is enforced, and that the Government is determined to see that the law is enforced. It is further requested that you see that the law is enforced, and that the Government is determined to see that the law is enforced. It is further requested that you see that the law is enforced, and that the Government is determined to see that the law is enforced.

Now, this was the first time that the attention had been brought to the fact that others than squatters were getting on the land, and it having been brought to his attention, he could not ignore it, and so this letter came.

That is the first time that the Government was informed of the matter, and it was a very serious matter, and the Government was determined to see that the law was enforced.

That did not put an end to that question of affairs. Mr. Davis, in the department, drew the attention of the departmental officials to the unsatisfactory manner in which Davis was performing his work, with the result that this memorandum was submitted to Mr. Davis by the minister's private secretary:

September 2, 1907.

Dear Sir: I have to inform you that the removal of squatters in the Riding and District of Medicine Hat is a very serious matter, and the Government is determined to see that the law is enforced.

That shows that things were not going smoothly and nicely. He had even the high official's attention that things were not going right, and he sent out the celebrated R. E. A. Lee to investigate. Mr. Lee went up there and reported that everything was lovely, and what of the Government? That Davis had told him that it was all right. That is all he reported. The department, that is, after Mr. Davis and that Mr. Davis had said that everything was all right. Sent the department were not satisfied with the result that Mr. Lee had sent back a second time, and the department investigated these lands that were thrown open

to squatters. Mr. Leach departed the second time. He came back with a report much the same as before; he could find nothing wrong. Mr. Davis was his authority, the very gentleman who himself swears that every thing was wrong, that he was giving these lands to help his party, French, and so were McLeod and Cohen. So I do not think that there is anything that reflects very great credit upon the administration of the department in connection with those particular lands taken out of the Riding Mountain reserve.

AN ILL STARRED VENTURE.

The next matter the hon. member took up was the transaction of the Southern Alberta Land Company; and he thought he was making a point against this Government and was tactically receiving endorsement for that transaction by reason of the fact that we had introduced in the last session of Parliament an estimate for a refund to the Southern Alberta Land Company of \$380,000 which they had paid in advance for their land, a portion of which was expended during this past year, the balance being a revote this year. But that is no endorsement of the original arrangement entered into by the Government. Not at all. How did we find this arrangement? It was presented to us by the late Mr. Newton, who represented that company in Canada. This was the famous Robbins Irrigation Co. deal. J. D. McGregor and his friends sold them on the English market at an immense profit, they passed again into the possession of another company at another immense profit and eventually they fell into the hands of the Southern Alberta Land Company, a large quantity of stock being sold. This stock was widely distributed throughout the Old Country by the Grenfell Company which practically had the management of it. The Grenfell Company went into liquidation last year. Then the Southern Alberta Land Company was hard pressed. Their irrigation works were about completed to the extent that they could turn the water on the land and put the land in a position to sell for irrigation purposes. They came to the Government and said that if they did not receive some assistance in a financial way the scheme and the country would get a black eye and all the money that had been invested would be lost. What were we to do? Were we to allow the country to get a black eye? This scheme had received the endorsement of the late Government and if we refused to comply with their request so that they could utilize their works and turn the water on the land it would have been most damaging to the good name of the country and the investment would have been placed in jeopardy. The company merely asked us to refund the money that they had paid in for the land. They gave the Government a lien on their land and works as security. They had spent in the neighbourhood of \$6,000,000 altogether. Surely we have security which is ample to protect us for refunding back to them the money which they had paid in for the land at the rate of \$1 an acre, or in all \$381,000. That is no

endorsement of the scheme and we are not open to censure by reason of refunding this \$380,000 to enable the company to put its works into operation and allow the land to be occupied under irrigation conditions. It is practically a loan because we took a lien on the land and works. We are charging them the same rate of interest—5 per cent—that we have been charging on irrigation schemes and other transactions of a similar nature.

HAD INFLUENCE WITH LAURIER.

There is another irrigation deal in connection with this report and it is the Aylwin deal. There was a gentleman by the name of Aylwin who had taken up with the late Minister of the Interior the idea of buying 350,000 acres of land. Negotiations had proceeded to a certain extent but in time he found that he could not have access to the minister; he said that he only saw him on one or two occasions and he came to the conclusion that he would have to have other influence. He had not sufficient backing to get access to the then minister and he went to Mr. Robert, of Montreal, the president of the Tramways Company, who, it was claimed, stood well in the favour of the Prime Minister and another member of the Government. Mr. Robert came up and had several interviews with the then Prime Minister in regard to this matter. The letters which are on file go to show that the then Prime Minister assured him that if anybody got this land he and his associates would. Mr. Robert had no financial interest in the land, but he was using his influence because his brother was in the deal.

Robert visited Ottawa on several occasions and saw several members of the Government about the matter, particularly the then Prime Minister, and received every encouragement to believe that he would get the land eventually. I should say that Mr. Robert got 18 cents an acre as his commission for using his influence, which amounted altogether to \$12,000. He bought out the interest of Mr. Newton, of Winnipeg, who had an interest in the deal, and when the lands were sold Mr. Robert got over \$18,000 as his share by reason of his acquisition of the Newton interest. Mr. Robert was very well paid for his influence in connection with this deal. But Mr. Robert did not have entirely plain sailing. There was a gentleman by the name of Denton in the city of Toronto and he and some of his friends also desired to get some of these lands. In order to put up a bluff that he had certain influence that could carry him through with the members of the Government, he went to Robert in Montreal and the bluff worked so well that Denton was handed over many thousands of dollars, although he had never cost a cent.

KNEW THE LANDS WERE UNSUITABLE.

An hon. MEMBER: Who is Denton?

Mr. ROCHE: He is a Frank Denton, barrister, of Toronto. He came

here representing himself and his friends and he bluffed Robert into an arrangement by which he got a good slice of this property. I should say in connection with Mr. Aylwin that he had to take 69,000 instead of the 250,000 acres for which he had applied. I draw the attention of the House to this most significant feature, that these 69,000 acres, which adjoined the lands of the Southern Alberta Land Company, were sold by the Government notwithstanding that **they knew at the time that they were not irrigable.** The officers of the department had reported that the lands were not irrigable and that there was no means of providing for their irrigation in view of the fact that other lands had been disposed of to the Southern Alberta Land Company. The Southern Alberta Land Company had practically monopolized all the ditches and water rights and this Aylwin company were absolutely debarred from irrigating their land and were absolutely dependent upon the Southern Alberta Land Company for irrigation. On this 69,000 acres, for which \$3 an acre was paid, we have allowed a refund of \$2 an acre. The works of the company had never been gone on with. They had eventually to enter into an arrangement with the Southern Alberta Land Company in order to get their land irrigated at all. What I condemn the department under the late Government for is that having disposed of land to the Southern Alberta Land Company they should have gone to their other friends and sold them 69,000 acres of land that were not irrigable at all.

The hon. gentleman has also brought up the question of the Craven dam. He says there is nothing in that, and claims that it was simply investigated for the purpose of bringing in the names of Mr. Scott and Mr. Brown. The hon. gentleman says that it is all right for the Government to sell land at \$1 an acre and for the purchasers three years thereafter to sell it to the Government for \$25 an acre. A strange thing about it is that, when the Government were seeking to expropriate the land and when the judge allowed \$25 an acre for it, Mr. Brown, now the Lieut. Governor of Saskatchewan, actually came forward and swore that the land was worth \$100 an acre. **What a wonderful transformation in the price of land in three years!**

Mr. OLIVER: Would the minister be good enough to certify that date? I think the period must be longer than three years.

Mr. ROCHE: It is in the neighbourhood of three years.

Mr. OLIVER: I have no doubt that the minister has the papers, and if he refers to them he will find that he is pretty far wrong.

Mr. ROCHE: I do not think I am very far wrong.

Mr. OLIVER: I am sure he is.

SWORE THEY WERE WORTH \$100 AN ACRE.

Mr. ROCHE: At any rate, it does not make a great deal of difference, when lands which were only \$1 an acre suddenly jump to \$25 an acre

when the Government want to expropriate them, and when Mr. Brown swears that they are worth \$100 an acre, whether it is three years or five years. I think Mr. Ferguson says in his report that when Mr. Brown was buying these lands he deceived them and said they were practically worthless—that they were only swamp lands and could only be useful for hay; and the fact is that two or three years after the issue of the patent to Mr. Brown, he swore the lands were worth \$100 an acre. It was decided to expropriate the lands, and \$25 an acre was allowed for them. In these proceedings, forgetful of the fact that a few years previously he had said they were practically valueless and that he purchased them for a dollar an acre, Mr. Brown swore that the value of the land was \$100 an acre and that they would produce on an average two tons of hay per acre per annum. You can figure that out for yourself. I do not know what the price of hay was, but I think it was probably \$10 a ton, but take it even at \$5 a ton and you have 1,000 acres producing 2,000 tons at \$5 a ton or \$10,000 per annum.

Mr. NESBITT: Would the minister value lands at \$100 an acre that would only produce two tons of hay to the acre?

Mr. ROCHE: I am not putting any value on the lands. I am giving you the sworn statement of the owner of the lands as to what he valued them at.

Mr. NESBITT: He was trying to sell them then?

Mr. ROCHE: Yes, and when he was trying to buy them he said the lands were worth only a dollar an acre.

Mr. NESBITT: There are lots of fellows like him; the woods are full of them. Does the minister think that land that only grew two tons of hay to the acre was worth \$100 an acre? If he does, he does not know anything about land values.

Mr. ROCHE: I am not saying that I do know anything about land values; I never saw the land, and I do not know what the value of the land was to my personal knowledge, but I am giving you the evidence of this gentleman that he purchased the lands at a dollar an acre, and two or three years after he got his patent he swore that they were worth \$100 an acre.

Mr. PUGSLEY: The minister has mentioned the date that Brown got his patent; can he state when Brown made an agreement to purchase from the Government?

Mr. ROCHE: I think it was 1906.

Mr. PUGSLEY: Has the minister any estimate by the department as to the present value of these lands?

Mr. ROCHE: I am glad the hon. member mentioned that, and I wish to tell him that we are not sending out inspectors to value lands that have passed out of the possession of the Government; but I do charge against the minister of the day dereliction of duty in not sending inspec-

tors around to value these lands before they were sold. When any lands are sold to-day, I can assure my hon. friend that we send out our inspectors to inspect them and to report as to their value. No such thing was done in connection with the sale of these lands; no inspection was made of them; no report as to their value was had, and the price put upon them by Mr. Brown was acceded to and recommended by the then commissioner, Mr. Turriff, who now sits in this House.

Mr. PUGSLEY: I think these lands were expropriated in 1910.

Mr. ROCHE: I am not sure, but the evidence is there, and my hon. friend can see.

Mr. PUGSLEY: I would like to know that; I think I was Minister of Public Works when they were expropriated. I do not know that in 1900 lands representing thousands of acres in that vicinity were sold at a dollar an acre.

Mr. ROCHE: I think a good many acres were sold at the time for a dollar an acre, but I believe—

Mr. PUGSLEY: And sold by companies.

Mr. R. B. BENNETT: No.

PREMIER SCOTT FIGURES IN IT.

Mr. ROCHE: I may say that these lands were sold to Mr. Brown on the recommendation of Mr. Walter Scott. Mr. Brown in effect said that he did not come alone and that he did not depend on his own influence to get these lands, but he admits he secured the services of Mr. Walter Scott, and he secured these services because of Mr. Scott's political influence. It was at the request of Mr. Walter Scott that these lands were reserved for a year before they were sold.

Mr. OLIVER: I want to be perfectly clear as to what the minister states. I think he made the observation that the sale of these lands took place to Lieutenant-Governor Brown during my administration of the Interior Department. I want him to be satisfied on that point before he makes the statement, because I am quite clear that it is not so.

Mr. ROCHE: I have not the exact date before me, and it may have been that it was under the administration of the hon. gentleman's predecessor that the lands were originally sold, and if I am to diagnose by his interruption that the hon. gentleman condemns the whole thing, then I am glad of the interruption, and I will exonerate him from being the gentleman who sold these lands.

Mr. OLIVER: I want to point out that the period of time between the sale to Brown and the sale by Brown was the difference between the years 1900 and 1910, and that lands in the Northwest appreciated in value in that time, three, four, and six times.

Mr. ROCHE: Does the hon. gentleman say that these lands were worth \$100 an acre?

The GLENN: I would not think so, they would not be worth a cent.

Mr. PIGSLEY: Would the gentleman be good enough to furnish the House with the date at which the agreement to purchase was made by Brown?

Mr. ROCHE: The hon. gentleman can read the evidence for himself.

Mr. PIGSLEY: That is important, and I will tell the hon. gentleman why it is important.

Mr. ROCHE: I have not the report before me, but it is on the table of the House and the hon. gentleman can look that up for him.

Mr. OLIVER: The Minister of the Interior has insisted on referring to me as having been a party to this transaction, and he fixes the date of a period that would justify the remarks he has made, when as a matter of fact the date was different and would not justify his remarks.

Mr. ROCHE: It is stated they were sold in 1911.

Mr. OLIVER: I do not know when the lands were sold, because I have not the papers before me. My impression is that they were sold approximately ten years between the purchase of Brown and the sale by the Government, during that ten years the general price of land in the West appreciated five, six, seven, eight, ten times.

Mr. ROCHE: That might apply to lands adjacent to large cities like Edmonton or Calgary, but I know, as a matter of fact, that these lands did not appreciate in value to any such extent.

Mr. PIGSLEY: I know they did not.

Mr. ROCHE: At all events, it was represented in the first place that they were only swamp lands covered with water, and Lieut. Governor Brown states they were not worth more than a dollar an acre, but strange to say these gentlemen opposite who are so anxious to make out that this report is an attempt to make political capital against the Lieutenant Governor of Saskatchewan, forget that it was he who swore that these lands were worth \$100 an acre. I have the evidence before the country and the House to be judged on its merits. I should say that of these lands there were about 1,000 acres and 518 acres were patented at one dollar an acre and the balance represented half-breed scrip. It was, as I say, about three years after he got the patent that they were expropriated at a price of \$25 per acre, so that this gentleman made very well out of his deal with the late Government, which professed so much solicitude with regard to the manner in which the public domain should be dealt with.

GRAZING LEASE SCANDALS.

The hon. gentleman (Mr. Oliver) has also spoken about the grazing lease to Mr. H. B. Brown. This matter has been threshed out in the House

before any of the other gentlemen should be called upon to say anything. I have heard Mr. H. H. Ferguson, the present member for Mr. J. F. McGee's district, say that Mr. McGee's secretary, after he had been told by Mr. Ferguson that he was not to be taken into consideration, went to Mr. Ferguson and said, "Mr. Ferguson, I am going to say to you that Mr. McGee is not Mr. A. A. Brown, the present member, the third son of Mr. A. B. Brown, Mr. McGee's father, but the first son, and over the grandfather's estate, and that the grandfather was not a gentleman. There is one point in connection with this deal that looks rather suspicious, and it is this: Although 28,000 acres of land was what was applied for, in some manner a recommendation was placed on file increasing the amount to 60,000 acres, and that was done by the present member for Assiniboia (Mr. Turri?) when he was commissioner.

When the hon. member was expostulated by Mr. Ferguson and asked for an explanation, he failed to give one, and said that he would not give one. No request came from Mr. Brown; he did not know anything about the matter; no request came from Mr. McGee, so Mr. McGee stated; and still in some mysterious manner the area was increased from 28,000 to 60,000 acres. This was done without any request except as conveyed by word of mouth and secretly, as there is nothing in the files to show that a request was made. In connection with the rental of this land, Mr. Brown owed arrears of some \$2,100, and these were wiped off. Mr. Acuson should have paid them, but he did not do so, he was forgiven, and the case was made a closed irrevocable one, although originally it was a 21-year lease and it could be cancelled by two years' notice being given.

GOVERNMENT OFFICIALS GRAFTING.

The next point dwelt upon by the hon. gentleman is that of the Kanabaskis Coal Company. My hon. friend agrees that employees of the Government should not act as purchasers or millmen when dealing with the Government in connection with concessions for coal or land irrigation propositions, or anything of that kind, and in that I quite agree with him, but he has stated that the services of all these men in connection with this deal have been dispensed with. Who has dispensed with their services? Mr. Howard Douglas was superintendent of the Rocky Mountain park, and he engineered practically the whole deal. There was a certain timber berth then the Rocky Mountain forest reserve which it was desired to exchange and in order to get it exchanged, Mr. Douglas associated with himself two of his own sons, an employee of the Government, another gentleman, I think from Moose Lake, and others. They sent him an application to have the timber area within the reserve exchanged for another area without the reserve. Mr. Douglas was the gentleman to whom they referred the matter for recommendation, and he recommended it saying it would be an excellent proposition. Why would he not do so? His own two sons and his son-in-law

The following is a list of the names of the persons who have been appointed to the various positions in the Department of the Interior, under the administration of Mr. Theodore Roosevelt, since his inauguration on September 8, 1901. The list is given in alphabetical order of the names of the persons appointed, and is taken from the official records of the Department. The names of the persons who have been appointed to the various positions in the Department, under the administration of Mr. Theodore Roosevelt, since his inauguration on September 8, 1901, are given in alphabetical order of the names of the persons appointed, and is taken from the official records of the Department.

THE ELGOD RESERVE SCANDAL.

The following is a list of the names of the persons who have been appointed to the various positions in the Department of the Interior, under the administration of Mr. Theodore Roosevelt, since his inauguration on September 8, 1901. The list is given in alphabetical order of the names of the persons appointed, and is taken from the official records of the Department. The names of the persons who have been appointed to the various positions in the Department, under the administration of Mr. Theodore Roosevelt, since his inauguration on September 8, 1901, are given in alphabetical order of the names of the persons appointed, and is taken from the official records of the Department.

... of the Government, it regarded to which the lumber was going. The lumber was sent to the city of Toronto and were filled in there with the names of fictitious persons. These lances were sent into the Department and the then Deputy Superintendent General, Mr. Smart, passed upon them. Although as Deputy Superintendent General of Indian Affairs, he was the guardian of Indian lands, and was selling for the Government, he became acquainted with himself in company with the other two gentlemen. **The profit on the Moore mountain reserve was something over \$45,000.** It was bought on the 10th of November, 1891, and sold in April, 1892, for the sum of \$110,000 through one of the immigration officers in the United States, a Mr. James Ryke, a former Brandon man. On the next reserve the profits were something over \$15,000. Taking the three reserves, the gentlemen cleared something over \$80,000. **The whole thing was done in secret and under cover of three partners, as was brought out in the evidence.** If the hon. gentleman thinks that is all right we have a different idea of the propriety of things, and I am quite willing to allow the people of this country to judge as to these transactions.

OLIVER ACCEPTS ROYALTIES ILLEGALLY.

If this Government designed to persecute the hon. ex-Minister of the Interior, if we desired to ask Mr. Ferguson to delve deeper into my hon. friend's private affairs, or into his private transactions as a private citizen, or as Minister of the Interior, we had plenty of evidence without going to Mr. Ferguson at all. All we had to do was to peruse some of the files in the Department of the Interior. The hon. gentleman knows that away back in 1890 he took up a homestead within a couple of miles of the city of Edmonton. At that time the person living within the two mile limit did not require to reside upon the land. But he resided a portion of the time within the two mile limit and then removed his residence beyond it. It is true, he performed his cultivation duties eventually. At the time he was not performing his duties and asked for an extension of time for to protect his land. That extension, one of the officers replied to him, could be granted to him for, say, one year, or as an alternative he would be allowed the privilege of recording his entry and purchasing the land at the regulation price of \$1 an acre. The time went on and the hon. gentleman did not avail himself of the alternative proposition.

After a time he wrote a letter to the department stating that it was not convenient for him to perform the rest of his duties, and applying for the privilege of purchasing the land, in view of the residential duties and the erection of the house which he had put upon the land, and I think a residence of about three months was required notwithstanding his being within the two mile limit. He requested the right of purchase, and named his own price, \$1 an acre. This was recommended by the Government in the department. This was before he was minister again. back

served. This was five months after he had leased to Mr. Wills. Did he recall the lease? Did he cease accepting royalties? Did he pay back the royalties he had collected up to that time? Nothing of the kind. He continued the lease up to the time when this Government came into power, and he collected several thousands of dollars by way of royalties from Mr. Wills up to that time on minerals that were owned by the Crown, and the Crown has never got a dollar out of it. I have some receipts here which the hon. gentleman gave Mr. Wills for the royalties.

Within a month or thereabouts after this Government came into power evidently he had some compunction of conscience in regard to it; perhaps he supposed there was going to be an exposure, a new party being in power, and probably some commission would be issued. He applied to the department for a lease of the mines and minerals on the 2nd November, 1911. But he had made the lease with Mr. Wills on the 8th of October, 1906, for ten years. He got a lease for twenty-one years renewable, the royalty being changed from 10 cents a ton to 5 cents a ton. He, to protect himself, having the right to issue a sub lease, in November, 1911, issued a sub lease to Mr. Wills to run for five years from December 11. During all that time he has been collecting royalties, and during that time he has been paying the rental of \$1 an acre to the department. He has not paid any royalty. I am not saying that is his fault; if there is a fault, it lies with the department. And, as a matter of fact, we frequently give extensions of time. I am not finding fault with that; as a matter of fact, an extension of time was granted. But one condition of his lease was that he was to make quarterly returns of all coal mined and to pay a royalty of five cents a ton. From the date of his lease, December, 1911, he has not made any returns—at least, I cannot find any statement on the files showing any coal mined at all, while he admits that the claim is being worked. How, under these circumstances, he could give a lease to another party, accept royalties of thousands of dollars from that party and pay nothing to the Government, passes my comprehension. If the hon. gentleman had desired to be fair, after he got his lease from the Government he would at least have paid over the royalties collected from Mr. Wills during the time that he had no lease. Hon. gentlemen talk about restitution; about investigations in the Public Accounts Committee; about money having been refunded by a clerk in the city of Ottawa; and so on. **They clamour for restitution on the part of those who received undue profits; what about restitution in this case?**

Mr. OLIVER: If Mr. Wills says that he paid me \$2,000, or \$1,000, in the way of royalties before 1911, he states what is absolutely untrue.

Mr. ROCHE: He certainly states it.

Mr. OLIVER: Then he makes a statement that has no semblance of truth in it.

Mr. ROCHE: The hon. gentleman admits that he got royalties.

Mr. OLIVER: Yes, I admit that Mr. Wills paid some royalties.

Mr. ROCHE: It is simply a question of the amount.

Mr. OLIVER: Yes.

Mr. ROCHE: I cannot vouch for the accuracy of Mr. Wills' statement as to the amount, but I am glad that the hon. gentleman admits the accuracy of my statement that he accepted royalties when he had no authority to do so, in respect of mines and minerals that he did not own, and of which he had no lease. These royalties have not been paid over to the Government. This emphasizes the point that while a minister of the Crown, and supposed to be the guardian of the Treasury so far as the Department of the Interior was concerned, the hon. gentleman collected royalties in respect of which not one dollar has since been paid over to the Government.

At six o'clock, the House took recess.

OLIVER'S RECEIPTS PRODUCED.

The House resumed at eight o'clock.

Mr. ROCHE (resuming): Mr. Speaker, prior to recess I had just about completed my reference to the matter immediately under discussion, namely, the particular homestead lands that the hon. member for Edmonton (Mr. Oliver) had secured and paid for and for which he did not have the mineral rights. Some criticism has been offered and some questions asked by some hon. members as to how the hon. member came to receive a lease of these mineral rights after the present Government came into power. Of course, under our regulations any person who complies with the regulations is entitled to have a lease of mineral rights, but priority is always given to the party who is the owner of the surface rights. So the matter was dealt with departmentally, it did not come before the then Minister of the Interior at all, was passed upon by the officers of the department; as it was considered that there was no reason why that lease should be refused, the rental having been tendered for the first year at the rate of \$1 an acre and the other regulations having been complied with. Of course, there was nothing on the file to show that the mines and minerals had been leased by the hon. member for Edmonton prior to the securing of the lease from the Crown. This is the explanation of how the lease came to be issued in November of 1911, after the present Government came into power. In the lease to Mr. Wills, that is, the first lease in 1906, it was provided that he should pay a royalty of 10 cents a ton, which in the second lease was changed to 5 cents, and that he should mine at least 500 tons per annum. The mine was operated and certain royalties were paid. I have a few of the receipts given by the then Minister of the Interior in the form of letters. One is dated the 2nd of January, 1908:

Dear Sir, -Yours of the 22nd to hand regarding Buffalo park fence; also cheque, royalty on coal, for which thanks. Wishing you the compliments of the season.

Yours very truly,

Mr. Robert Wills
Edmonton, Alberta

FRANK OLIVER

It does not say there what amount of royalty was received. There is another dated February 13. No doubt it was for one month, as the next letter is dated February 13, 1908, as follows:

I have your letter of the 11th inst. containing cheque for \$71.40 which is quite satisfactory, although the colour of it is the better.

Yours faithfully

FRANK OLIVER

Mr. Robert Wills

I have another here of March 12, 1908, which says:

Yours of March 2 to hand with cheque for \$54.14 royalty on coal for January. I thank you very much and wish you all success. I have no objection to another shaft being put down in the unutilized part and so long as fencing is provided so that the grain on the cultivated portion will not be interfered with. I have not thought of selling the farm and would not care to do so unless or until I visited Edmonton.

There is another on the 10th of April, 1908:

Dear Sir - I beg to acknowledge the receipt of your letter of the 31st ultimo enclosing \$48.75 royalty on 483½ tons of coal for the month of February.

Yours faithfully,

FRANK OLIVER

WILL HE RETURN THE MONEY?

These receipts are all for the same year, showing that royalties had been collected for several months in that year, and other royalties were, of course, collected, the receipts for which I have not here at present. The lease to Wills provided that at least 500 tons should be mined each year. I notice here in one month that 483½ tons of coal was mined in February. So while the hon. gentleman may take issue with the statement made by Mr. Wills that he had paid a couple of thousand dollars, or in that neighbourhood, of royalties, still I have word from Mr. Wills to the effect that from November, 1907, up to December, 1912, some 18,360 tons were mined, and this does not include the royalty since December, 1912. Mr. Wills' recollection of the amount of coal which he mined and the royalty which he paid differs materially from that of the ex-Minister of the Interior if he says that he has not received as much as \$1,000 in the way of royalty. But 10 cents a ton on 19,000 tons would be in the neighbourhood of \$1,900, so it is pretty close to \$2,000 which Mr. Wills claimed he had paid the ex-Minister of the Interior, and I have read you the receipts which the hon. member gave to Mr. Wills for a portion of the year 1908, showing that he had accepted royalties from mines and minerals which he had no authority whatever to lease to Mr. Wills. He practically admits that he takes no issue with that statement; and for my part I certainly would not make it if the records did not bear me out. The hon. gentleman will, I think, upon reflection come to the conclusion, having this brought forcibly to his mind to-day in the course of this debate, that he has been so derelict in his duty in safeguarding the treasury of the Department of the Interior and the interests of the people of Canada in the administration of the lands under his management at that time, that he should, at the first possible opportunity, avail himself of

I can produce some of very recent date." The request was refused by the department; they would not allow that. They got very strict with him, and they wrote to him and told him that they would have to cancel his claim. On the 2nd of June, 1900, they wrote a letter to Mr. Fahrm telling him that his purchase of these lands had been cancelled. Prior to this, on May 10, I may say that the sale had been cancelled. I have a memorandum of the department signed by the then deputy superintendent general of Indian Affairs, Mr. Pelley, to the following effect:

Whereas the undemolished lands in the Michie Indian reserve, standing in the name of Christopher F. Fahrm, were sold to him subject to the payment of equal amounts in cash and in kind;

And whereas it has been represented and established to my satisfaction that the condition under which the said lands were sold has been violated;

Now, therefore, and in virtue of the powers and duties vested in the Superintendent General of Indian Affairs by the Indian Act, chapter 13, section 61, Revised Statutes of Canada, 1906, I hereby cancel the said sales and resume the said lands.

C. W. B. PELLEY

They did that, and, of course, it meant that the sale was forfeited. This was followed by a notification on the 2nd of June of the cancellation that had taken place on the 10th of May. On the 2nd of June Mr. Fahrm was communicated with as follows:

OTTAWA, 2nd June 1900

Sir:—I beg to inform you that the sales of the lands purchased by you in the Michie Indian reserve, on the 5th December, 1900, have been cancelled, and the lands resumed by the department in order that they may be disposed of to other purchasers.

There was the notification that cancellation had taken place, that the money had been forfeited, and that the lands were to be placed at the disposal of another eligible applicant. It was on the 2nd of June that he was notified, and on the 3rd of June a letter was sent from Edmonton to the department as follows:

EDMONTON, 3rd June 1900

Secretary, Department of the Interior

OTAWA, ONT.

Dear Sir,—Could you oblige me by obtaining for me the addresses of Mr. F. W. Grant and Mr. Christopher Fahrm, who each had considered and purchased in the Michie Indian reserve some years ago, and in this day?

Thanking you in advance,

Yours very truly,
O. L. ANDERSON

OLIVER'S SON-IN-LAW

I understood that Mr. Anderson is the manager of the Union bank in the city of Edmonton, and I understood also that he has the honour of being the son-in-law of the ex-Minister of the Interior. Mr. Oliver's first application was dated on the 3rd of June, Mr. Fahrm having been notified on the 2nd of June that cancellation had taken place and that the sale had been forfeited. I may say that Mr. Anderson had sent the letter to Edmonton, strange to say, to his garage, and the post of the department

those in charge of the matter, and another letter is addressed to Mr. Fahrm, dated 7th of June, which reads as follows:

referring to letter addressed you on the 2nd instant, notifying of cancellation of lands purchased by you in the Market reserve. I beg to say that upon further consideration it has been decided to allow this matter to stand for the present, and the cancellation will be held in abeyance until further notice.

Why this change of mind at this particular time? Mr. Fahrm had not asked for it. He thought it was all up with him. He had made the good request that he had been allowed, in order not to forfeit his \$4,000, that a short time should be given him to pay the quarter sections out of the 20 sections, but that was not granted. He was notified of the absolute cancellation when he had taken up the 10th of May, and he had never written any letter to the Department after that date, and as such, asking to be reinstated. Notwithstanding this, after the letter was sent to the Department by Mr. Anderson, Mr. Fahrm was reinstated, and the cancellation proceedings were not gone on. Why was that? For several months thereafter there is nothing to show that Mr. Fahrm was reinstated and the cancellation payments. The Department of Mr. Anderson in touch with Mr. Fahrm, and Mr. Anderson, in fact, got in touch with Mr. Fahrm, and he took over the lands from Mr. Fahrm, allowing him the amount of the first payment which he had made less a quarter section, or \$4,000. He took over the purchase that Fahrm had made, paying to Fahrm just his first payment in order to save the money that he had put in, and **Mr. Anderson became the purchaser of these lands. These lands were purchased for in the neighbourhood of \$25,000.**

There is nothing in the regulations that goes to show that there can be any reinstatement of cancelled lands. **I have the regulations here and they do not provide for reinstating any cancelled lands.** I have taken the trouble to make some inquiry, and I find that where lands had once been cancelled by reason of the non fulfilment of the conditions, such as the non payment of instalments, no payment can be found for the reinstatement of the lands even where the purchaser would profess to be able to pay in entirety for the same. Mr. Fahrm professes for reinstatement, he did not profess to be able to pay the same. His request, and after Mr. Anderson had seen to his appointment to get in touch with Mr. Fahrm, they were reinstated. The provisions with respect to forfeiture, section 5 of the Dominion Lands Regulations, is as follows:

Any violation of the conditions of sale will render the land in respect to which the same has been taken place, as well as all moneys paid or received therefor, the property of the Superintendent in charge of the same.

NO PROVISION FOR SUCH ACTIONS.

There is nothing in the regulations to provide for reinstatement; not understanding that, reinstatement did take place. In the meantime, Mr. Anderson becomes the purchaser of the land that Fahrm had purchased for \$25,000. This sale ran along for some time, and it transpired that last year there was another transfer of this land from Mr. Anderson. I have a copy of the transfer, or of the mortgage, which shows that these lands were transferred, and the date of the registry of the title was the 2nd of November, 1914. The grantor was John J. Anderson, manager of the Union Bank in Edmonton, and son-in-law of the ex-Minister of the

Interior, and he transferred these lands to Mr. Frank Oliver. There is no consideration put in here whatever. Under the heading, "Quantity of land and consideration" are written the words, "transferring above land." It would appear by this form that these lands were transferred without any consideration whatever from Mr. Anderson to Mr. Frank Oliver. That was on the 2nd day of November, which is the date of the registry of the title. On the 4th day of November Mr. Frank Oliver registered a mortgage to the Saskatchewan Savings Society, Limited, to the amount of \$25,000 on this land, which was the total amount that Mr. Fahrni had originally bought the land for. Therefore, according to this, the present owner, Mr. Frank Oliver, had mortgaged the land to the Saskatchewan Savings Society, Limited, and I am given to understand that the personnel of the Saskatchewan Savings Society consists of the Hon. Arthur Sifton, Mrs. Sifton and Miss Sifton. And so \$25,000 was advanced, if I am correctly informed; at any rate, the abstract is absolutely correct, and the significant part of this is that I have here, while that transaction was taking place from Mr. Anderson to Mr. Oliver a sworn declaration by Mr. Anderson, as to the value at that time, October, 1914, of these lands, and what do you suppose these lands were valued at?

I have not read all the correspondence, because I do not wish to include too many of these documents on the House at this stage of the session, but here is the correspondence between Mr. Anderson and Mr. Fahrni, when Mr. Anderson was grappling with him for the purchase of the lands, in which Mr. Anderson was trying to persuade Fahrni that he had paid too much entirely for them, although in Mr. Fahrni's reply he stated that he considered he had got them dirt cheap. But if Mr. Anderson considered that Mr. Fahrni had paid too much for the lands, when he had paid \$25,000 for them, I wonder what he thought, when he was making the transfer to the ex-Minister of the Interior (Mr. Oliver), and when he made the sworn declaration that the lands alone, without improvements were of the value of \$71,460. Seventy-one thousand four hundred and sixty dollars, Mr. Speaker! No wonder Mr. Fahrni said he had got them dirt cheap, although Mr. Anderson all the time was telling the poor man, when he was attempting to buy them, that he had paid the top-notch price and that he could not at that time sell them for the price he had paid. Mr. Anderson, through his agent, Mr. Kenneth Macdonald, who is a barrister in the city of Edmonton, makes a declaration in identically the same words as Mr. Anderson himself did, stating that the present value of the lands without improvements was \$71,640. These were the lands which were sold to Mr. Fahrni for \$25,000, \$5,000 of which was paid down, and we have that man squeezed out of his purchase in order that Mr. Anderson might purchase them, and Mr. Fahrni was only saved his skin by getting the amount he paid down in on the first payment. Then we have Mr. Anderson holding the lands for a few years and transferring them to his honoured father-in-law for no consideration whatever so far as the transfer abstract shows, and the hon. gentleman who was the purchaser was able to raise \$25,000 thereon through the Saskatchewan Savings Society.

MR. FAHRNI WRITES TO OLIVER.

Now, Mr. Fahrni, when all this information came to him, came to the conclusion that he had been,—to use a term I used this afternoon, quoting from Mr. Sifton when he said that Mr. Charles Miller had been bamboozled out of the Blood Indian reserves—Mr. Fahrni came to the conclusion that he had been bamboozled out of these lands, and he naturally took it very much to heart. He did not think he had had a square deal,

and his son, on his behalf, directed a letter to the present member for Edmonton, on March 9th, 1915, just about a month ago. Here is the letter:

The Honourable Frank Oliver,
House of Commons,
Ottawa

Edmonton, Man., March 9, 1915.

Dear Sir,—I am writing this letter on behalf of my father, Christopher Fahrni, who was the purchaser of some three thousand acres of land in the Michel Indian Reserve, west of Edmonton in Alberta, in, I think, the year 1908. You are, I have no doubt, entirely conversant with all the facts in connection with the deal, so I will not need to go into same minutely.

I have been looking after my father's business, at least subsequent to and during the year 1910, and you will probably recollect that in June of that year, father not having kept up his payments on the Indian lands to the department, was threatened with cancellation.

At that time it was impossible for us to raise sufficient money to pay the department out for the land, and after receiving several notices from the department, father instructed me to make whatever deal I could with the land, as anything was better than nothing.

At this time we were suddenly approached by one J. J. Anderson of Edmonton, who after endeavouring to beat us down on the price as low as possible, succeeded in purchasing the land from us. We were under very great pressure of the threatened cancellation from the Government at that time, and felt that we seemed bound to sell at any price, or lose what we had paid. The whole proceedings of Mr. Anderson looked very bad to me in several different ways, but under the then existing circumstances I could not be a chooser.

E. Mayor W. J. McNamara of Edmonton has just come from Ottawa and has laid bare to us what appears to me to be a very infamous conspiracy, in which it appears that you, as Minister of the Interior, using the aforementioned J. J. Anderson, who turns out to be your son-in-law, as a blind, made my father the victim.

I need not go into all the details, as I have already stated you are without doubt familiar with same, but the letter which was written by your department notifying my father of cancellation for the sale of land had the desired effect on my father, and after receiving same he was prepared to do anything, in order to save whatever possible of the money which he had paid down.

Just at this stage, your son-in-law's enquiries came to hand, and naturally we were ready to clutch at anything which would be of advantage to us, and we were prepared to sell at a sacrifice if necessary, provided we could give title. As soon as the question of our ability to give title arose, along came the notice from your department, dated June 7, 1910, in which you re-instate our contracts, thus making it possible for us to put a legitimate deal through and your son-in-law, through fraud and misrepresentation, with the connivance of the Department of the Interior, succeeded in obtaining the lands at about one quarter of their real value.

I was of the opinion that at the time of the sale to your son-in-law the land was worth at least \$50,000 or \$60,000, but your son-in-law insisted that the land was worth less than we had paid for it, and in the end, as I have said, he got it. I find now that the land at that time was as valuable, or more so, than it is now, and, further, upon obtaining a historical abstract of the land from the Land Registration Office at Edmonton, I find that the land has very recently been transferred from your son-in-law to yourself, and that you have raised a loan on same to the extent of \$25,000, and that in the affidavits filed, requiring the value of the land to be set forth, same is sworn to be worth over \$70,000.

It appears most conclusive to me that we have been defrauded out of some \$50,000 which I have no doubt could be obtained by carrying the matter to a civil court, and it further seems to me that a perpetrator of a crime of this kind would also be criminally liable. What I ask, and which I must insist on having, is some restitution of this damage, and unless same is made immediately, all the documents shall be handed over to my solicitor for his attention.

I may say that a good deal of my information has been obtained from Mr. Mac Namara, who has evidently spared no pains in unearthing same at Ottawa and elsewhere, and he has promised to give me his co-operation and all the help which he can give me in order to bring this matter to a successful and just termination.

Kindly address all correspondence in this matter to me direct, as I am looking after this matter fully, and by the time this letter reaches you my father will not be in Manitoba.

Yours truly,

(Sgd) STANLEY H. FAHRNI.

A DIRECT LOSS OF \$50,000.

Now, Mr. Speaker, that is a pretty strong letter, and if the statements can be borne out by the facts, and certainly a *prima facie* case has been made out by the record—I think it is none too strong. Certainly Mr. Fahni apparently has a very great grievance against the department on the chain of evidence to which I have just alluded, which is set forth on the file, which is set forth in that letter which I have read, and which would strongly indicate that he had every justification for making these statements.

At any rate, what has happened? Five thousand dollars was paid in, and under the regulations \$5,000 would have been forfeited if the Government had allowed the lands to have remained cancelled; and not only would the Government have had the first cash payment of \$5,000, but they would have had the land which Mr. Anderson swears is worth \$71,000. **So that the Government only gets \$25,000 out of the deal, and there is a direct loss to this country of about \$50,000.** And yet these gentlemen opposite claim that they have been looking after the interests of the Canadian people and their lands; and in view of this the ex Minister of the Interior passed an eulogy this afternoon upon the administration of the lands department by the late Government, and he thought it well to hand out a bouquet to himself as ex Minister of the Interior, a bouquet which I submit, in the light of these events, is rather of a petrified variety.

I am not going to say that no restitution is coming to this Government, but apparently Mr. Fahni thinks there is some restitution coming to his father for the manner in which he has been dealt with. I put this matter before the House in all sincerity, because I think it is my duty to do so. It is no pleasure to me to refer to these matters, because I am not of a combative disposition; but when we listen in this House day after day and week after week to the fulminations of hon. gentlemen opposite against hon. gentlemen on this side, turning and twisting every bit of evidence that is coming out in the committees and scattering it broadcast in the Liberal press throughout the Dominion of Canada, trying to hold the Government responsible for every lapse that has taken place in connection with the vast expenditure of money in the preparations in such a short time for sending the boys to Salisbury Plain, and making ammunition for themselves to do duty on the hustings, the time comes when patience ceases to be a virtue. Therefore I came to the conclusion that as a physician the only treatment I could prescribe was to give my hon. friends opposite a dose of their own medicine.

MERELY SCRATCHED THE SURFACE.

I am not going to monopolize more of the time of the House, but I may say that I have merely scratched the surface, because we could unearth very many more things without referring to Mr. Ferguson at all. Mr. Ferguson's work lasted longer than I anticipated it would last; but he has disclosed sufficient to show that this country has been despoiled of thousands of acres of land, of thousands of acres of timber limits, and of concessions handed out to the political friends of the late Administration; and this is something to know in order that we may take steps to see that there shall not be a repetition of it in the future and also to place ourselves in a position to demand restitution.

In regard to some of the things to which I have referred there may be some explanation that I know nothing whatever about, and as to which there is nothing on the files to show the contrary of what I have

just stated. If so, we expect to hear it; but at any rate I thought it my duty as Minister of the Interior, when these matters were brought to my attention, to refer to them, in the face of the accusations made by hon. gentlemen opposite against members of the Conservative party; and there is no member of the House of Commons who has since, in this respect more than my hon. friend from Edmonton (Mr. Oliver) with those adjectives and that characteristic language of his, in accusing those of our party who have revealed any of these notorious transactions as being black mailers, porch climbers, thieves and thugs.

Mr. OLIVER: Hear, hear.

Mr. ROCHE: My hon. friend says, "hear, hear." This is the language used in this House by the ex Minister of the Interior. When Mr. Ferguson and others have mentioned some of these notorious transactions of such a villainous character that neither he nor any one else on the other side of the House can defend them, he refers to these gentlemen as thieves, thugs, black mailers and porch climbers. This is the gentleman who held the position of Minister of the Interior under the late Administration.

Mr. OLIVER: I am very sorry that I was too flattering.

Mr. ROCHE: We certainly have some idea of the hon. gentleman's capacity for using adjectives of a most pronounced character. We are quite willing to award him the palm, because for any one on this side of the House to try to rival him would simply be vain.

In view of the bands rung across the floor of the House from time to time, I have simply thought it my duty to bring these matters up, although Mr. Ferguson did not deal with them. Had he been given a little longer time, I have no doubt that some of the matter to which I have just referred would have been investigated by him, but I think I have made sufficient investigation as to what is in the files to warrant me in making every statement that I have made to night. I do not wish to be strong in my language, no matter how great the temptation may be. I have not dealt with this question from a personal standpoint, because I have no personal feeling in regard to the matter. Were I to allow my personal feelings to weigh with me, I would say nothing whatever about these matters, but, being in charge of the department that has been under criticism by hon. members opposite during this session, especially by the ex Minister of the Interior, I would be expected to do my duty, especially when he is simulating such righteous indignation against what has been exposed in the committees, in showing the character of the Administration which was carried on while he was Minister of the Interior and while the Liberal Government was in power. I think I have disclosed sufficient in the few minutes that I have spent in addressing the House this evening to show that the people of this country did not get rid of the late Government any too soon. The late Government has frittered away the public domain, scattering it out amongst its own political friends. In the light of such events, it ill becomes hon. gentlemen opposite to attempt to criticise, as they have criticised in this House, the administration either of the Department of the Interior or of any other department of this Government.